

IRWIN, CAMPBELL & TANNENWALD, P.C.

ATTORNEYS AT LAW
1730 RHODE ISLAND AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036-3101
(202) 728-0400
FAX (202) 728-0354
www.ictpc.com

TARA B. SHOSTEK
(202) 728-0401 Ext. 108
tshostek@ictpc.com

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

May 30, 2000

Magalie Roman Salas, Secretary
Federal Communications Commission
Portals II
445 12th Street, S.W.
Suite TW-A325
Washington, D.C. 20554

Re: Comments of Moultrie Independent Telephone Company
Telegate's Proposal for Presubscription to "411" Directory Assistance Services
CC Docket Nos. 99-273 and 98-67

Dear Ms. Salas:

Enclosed herein and filed on behalf of Moultrie Independent Telephone Company ("Moultrie") are an original and four copies of Moultrie's comments in the above captioned matter.

Should you have any questions concerning these comments, please contact the undersigned.

Sincerely,



Tara B. Shostek

Encl.

cc: Mr. Al McCloud, Network Services Division, Room 6A-320 (2 copies)

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)	
)	
Common Carrier Bureau Seeks)	CC Docket No. 99-273
Further Comment on Telegate, Inc.'s)	CC Docket No. 98-67
Proposal for Presubscription to "411")	
Directory Assistance Services)	

**COMMENTS OF
MOULTRIE INDEPENDENT TELEPHONE COMPANY**

1. Moultrie Independent Telephone Company ("Moultrie") is a small rural incumbent local exchange carrier ("ILEC") serving approximately 822 access lines in central Illinois. As detailed below, Moultrie supports Telegate's proposal that competition in the provision of directory assistance ("DA") services would serve the public interest, provided the Commission addresses the issues outlined below. Moultrie agrees that customers should be permitted to presubscribe to a DA service provider of choice, while also allowing the continued use of the nationally recognized DA special access code -- 411. Moultrie also supports Telegate's proposal that the Commission implement presubscription utilizing the balloting and allocation methodology used for equal access, which would likely be the most cost effective and least confusing method for consumers, as most consumers and carriers are already familiar with the balloting and allocation procedures. However, Moultrie also wishes to qualify its position with respect to certain issues Telegate raised in its proposal.

**For Effective Competition, the FCC Must Preempt States
From Requiring That ILECs Provide DA Services**

2. In order for the Commission to allow true, open competition in the DA marketplace, it must preempt the states from **requiring** that ILECs provide DA services. Currently, most state commerce or public utility commission rules require ILECs, as carriers of last resort, to provide local DA service. Because of past dialing plans, necessitated by technical limitations, most definitions of local DA include all information for ILECs' Home Number Plan Area ("HNPA"). For cost reasons, most small ILECs, like Moultrie, outsource this service with a DA service provider, which may or may not also be a carrier. If the Commission truly wants to make DA services competitive, it must allow all DA service providers, carriers and non-carriers alike, to enter and exit the market at will.

**Competition May Increase Rates to Consumers in Rural Areas,
Absent Regulatory Intervention to Average DA Costs**

3. While Moultrie believes presubscription for DA service utilizing a nationally recognized DA dialing code is technically feasible, the Commission should take care when it considers Telegate's estimated costs for implementing DA competition as well as the manner in which Telegate proposes that such costs be allocated. Telegate estimates a one-time cost of \$0.11 per subscriber for the implementation of "411" presubscription. However, this is a nationwide average and does not take into consideration additional costs associated with such implementation in rural areas. Under Telegate's estimations, for example, a carrier like Moultrie -- which has 822 access lines -- should be able to implement presubscription for DA services for \$90.42. It is highly unlikely that Moultrie would be able to implement such significant modifications for less than \$100. In addition, Telegate

does undertake to explain how 411 presubscription will be implemented, nor what the actual costs of such implementation will be, given that AIN is not ubiquitous (*i.e.*, is not deployed by all carriers nationally).

4. The Commission must also consider the fact that competition in the provision of DA services will not necessarily drive the price of those services down. It will drive the price to the service provider's actual cost, plus profit. While the costs of providing DA services in urban areas may be less than what the DA service providers currently charge their customers, the same is not true in rural areas. The costs of providing service in rural areas are significantly higher than those in urban areas because of the lower population density. Rural areas do not have as many customers among whom a service provider's costs can be spread. Therefore, while DA competition may lower the costs of providing such services in urban areas, the same is not necessarily true in rural areas, unless the Commission requires implementation of DA competition in a manner that averages the costs nationwide. The Commission should consider requiring DA service providers to charge the same rates for all DA queries, regardless of where the query originates.

Implementation of a Centralized Nationwide DA Database Would Serve the Public Interest

5. To that end, Moultrie proposes that if the Commission is dedicated to the concept of geographic number portability, it should seize this opportunity to implement a centralized nationwide database that accommodates both DA and local number portability routing information access, and which has capabilities similar to the database used to provide 800 number routing information. A centralized nationwide database for DA services would ensure that all DA service

providers have access to the same subscriber information and provide DA services on a level playing field.

6. A centralized DA database would also ensure the privacy of nonpublished numbers. For example, under current practices, when a customer subscribes for telephone service, the customer may choose a published, nonpublished or unlisted number. While a nonpublished number may be sent to a DA service provider, it is treated as nonpublished and therefore will not be disclosed to the public. At the same time, the subscriber typically chooses a preferred long distance carrier. If that long distance carrier provides DA, it may create its own DA database using its own subscriber billing information, which may or may not reflect whether each subscriber's telephone number is to be published, nonpublished or unlisted. A centralized database updated directly by LECs would further protect consumers' privacy.

**The Costs of Implementing DA Competition
Should Be Allocated to the Interstate Jurisdiction**

7. Moultrie disagrees with Telegate's proposal that ILECs be required to pay for Telegate's, or any other competitor's, foray into DA services. The costs associated with the implementation of competitive DA (*e.g.*, balloting costs, software upgrades, database implementation and database updates) should be allocated to the interstate jurisdiction because, in a fully competitive DA service scenario, DA call centers will likely be nationally or regionally centralized, and since a rational assumption can be made that facilities transporting DA queries to DA call centers likely contain interstate traffic in excess of ten percent. Allocating to the interstate jurisdiction both the initial and ongoing costs and expenses associated with the implementation of DA competition should remove

any argument any state public utility commission could make regarding state jurisdiction over the recovery of costs.

Conclusion

8. While Moultrie generally would support competition in the provision of nationwide DA services, it cannot support a proposal that would require ILECs to incur all of the costs associated with such implementation, nor can it support a proposal that would require Moultrie, which outsources its DA services, to continue to provide those services if its direct outsourcing costs plus its internal overhead costs result in a consumer charge higher per query than the charge made to the provider's direct customers.

Respectfully Submitted,
Moultrie Independent Telephone Company



Tara B. Shostek
Irwin, Campbell & Tannenwald, P.C.
1730 Rhode Island Avenue, N.W.
Suite 200
Washington, D.C. 20036-3101
Tel. 202-728-0400
Fax: 202-728-0354

It's Counsel

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